

# DS Payment Model Work Group

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DECEMBER 19, 2018

# Payment Model Work Group

Nov 19, 2018

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## MEETING OBJECTIVES

1. Determine any key questions remaining from HSRI meeting
2. Solidify conceptual understanding on model framework
3. Discuss process steps and decisions

## MEETING AGENDA

Status update

- Notes / action items

Our planning

- Assumptions
- Points of agreement

Next steps

# The Payment Model Work Group provided a status update to the December 18 Statewide Advisory Committee

A review of a straw payment model, model options and examples from other states resulted in detailed exploration of payment tiers. The rate model survey will inform the process.

Work Group Goals, project planning phase	Status Update
<ul style="list-style-type: none"><li>• Initiate provider rate survey</li></ul>	<ul style="list-style-type: none"><li>• Half-day provider presentation to review study results held on December 14. Next steps: Final report from Burns likely Q2 to be informed by further state collaboration</li></ul>
<ul style="list-style-type: none"><li>• Review straw payment model and select model preference</li></ul>	<ul style="list-style-type: none"><li>• Matrixed tier model seen as most viable. Next steps: determine what bundles will look like, how to handle groupings, define basis of payments</li><li>• Work will continue with Burns &amp; Associates</li></ul>
<ul style="list-style-type: none"><li>• Develop preliminary view of services to be included in bundles</li></ul>	<ul style="list-style-type: none"><li>• Human Services Research Institute (HSRI) presentation offered view of support level framework on Nov 29. Next steps: further investigation of matrixed tier components</li></ul>

The purpose is to create a transparent, effective, administrable payment model aligned with the Agency's payment and health care reform goals.

HELPFUL TO  
DIFFERENTIATE BETWEEN  
MODEL/DESIGN OPTIONS

NECESSARY TO BUILD INTO ANY MODEL

Address provider  
financial risk

Administrable

Easy to understand

Predictable and  
sustainable financing

Accommodate outliers

Avoids cherry-picking

Revenue neutral

Based on service level and financial  
data that is consistent, reliable,  
verifiable, and accurate

Contemplate quality measurement  
development and reporting

Transparent regarding the services  
paid for

Avoids unnecessary administrative  
burden

Scalable to accommodate providers of  
different sizes and increases or decreases  
in number served

Maintains at least the status quo regarding  
access

Support zero-reject system

Person Centered

Equitable across individuals and providers

Objective

The Payment Model Work Group is developing a model which satisfies critical requirements for systems and individuals

### Four key assumptions support the model

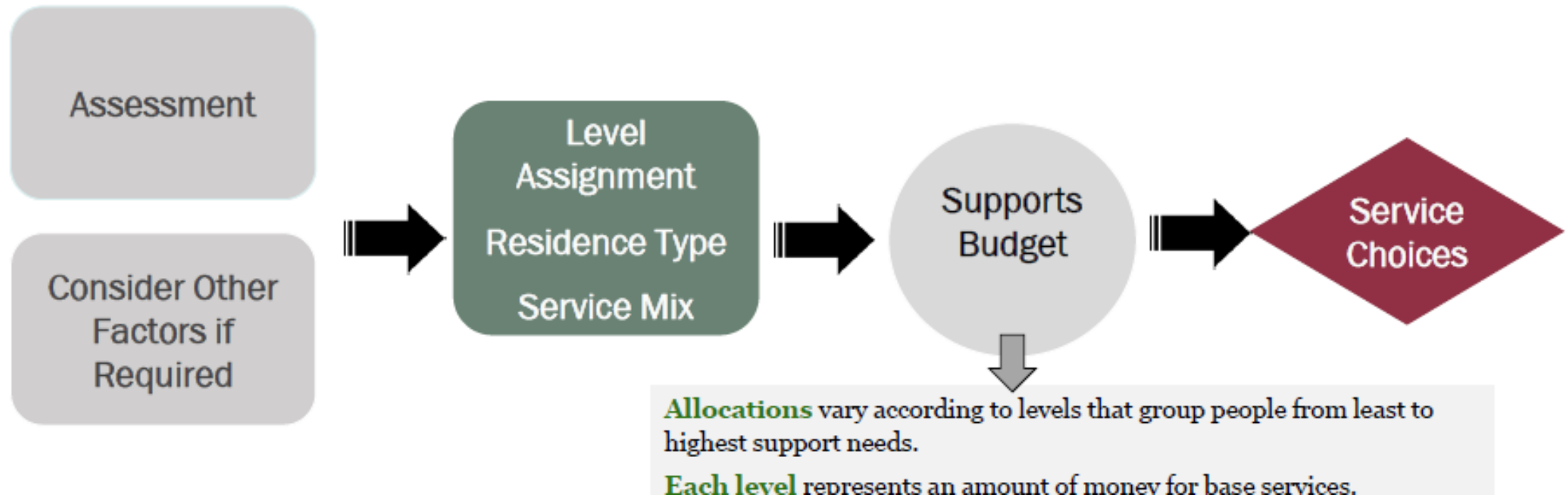
We will have an assessment approach that will allow tier determinations to be made and updated

We will have regular and accurate submission of encounter information to the MMIS

We will have reference prices for all services included in the case rate

Eligibility criteria will not change

An objective assessment is a key part of the budgeting process since information is provided about a person's support needs.\*



Source: Nov 29 HSRI presentation and AAIDD March 2018 white paper

Supports budgets are established using assessment score criteria and offer benefits for both the individual and the system\*

For the individual	For the system
Supports budgets are built to empower the individual	Supports budgets help structure the service system efficiently
Assure that the individual knows what their allocation is before planning	Allow for transparency and fairness
Allows the individual to choose the type and amount of services in their plan	Improve predictability
Puts people in charge of identifying the services they receive at the beginning of the process	Provide services commensurate to the needs of the individual

Reference: “Building Personal Supports Budgets for Adults with Intellectual/Developmental Disabilities” November 27, 2015

# The Payment Model Work Group evaluated criteria of three approaches to a payment model

	Flat Rate	Tiered Rate	Floating Rate
Easy to understand	Most straightforward to understand. All payments are the same.	Straightforward to understand; requires familiarity with how tiers are assigned.	Most complicated to understand; requires familiarity with all criteria used to adjust payment.
Administrable	Most straightforward to administer. All payments are the same.	Administration requires tracking tier assignments (and changes) by individual.	Administration requires tracking rate assignments (and changes) by individual.
Avoids cherry-picking	No. Incentive to maximize payment by serving individuals with lowest need.	Mitigates. Incentive to maximize payment by serving individuals with varying levels of need.	Mitigates. Incentive to maximize payment by serving individuals with varying levels of need.
Predictable financing	Most predictable financing for providers. All payments are the same.	Predictable for providers, especially if tier assignments do not change frequently.	Predictable for providers, especially if rate assignments do not change frequently.
Sustainable financing	Most straightforward for state budgeting. (payment amount * frequency * caseload)	Straightforward for state budgeting with good understanding of population tier distribution.	Straightforward for state budgeting with good understanding of population tier distribution.
Address provider financial risk	Risk and outlier provisions can be customized for any model.		
Accommodate outliers			

There are opportunities to move to a more granular (but tangible) concept\* by considering two factors as key drivers

**1. Where someone lives = residence tier \*\***

Family Home	Own Home	Group Home	Shared Living
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**2. Level of services needed = support tier**

Support Level 1
Support Level 2
Support Level 3
Support Level 4
Support Level 5

\* And avoid “one size fits all”

\*\* where someone lives is typically the #1 source of cost

A resulting array of 20 “tiers” is actually more of a matrix concept

**Person-centered budgets**

- Should be built to empower the individual
- We must build in assumptions for services and then price them out
- Decisions can be made as to how services are used

Support Level	Family Home	Own Home	Group Home	Shared Living
1	*	*	*	*
2	*	*	*	*
3	*	*	*	*
4	*	*	*	*
5	*	*	*	*

## HSRI\* presented a similar concept to the payment model group on November 29\*\*

- Determinants of budget amount result in a matrix concept
- Targeted amount of money for individual recipients populate the matrix
- Similar to Burns concept

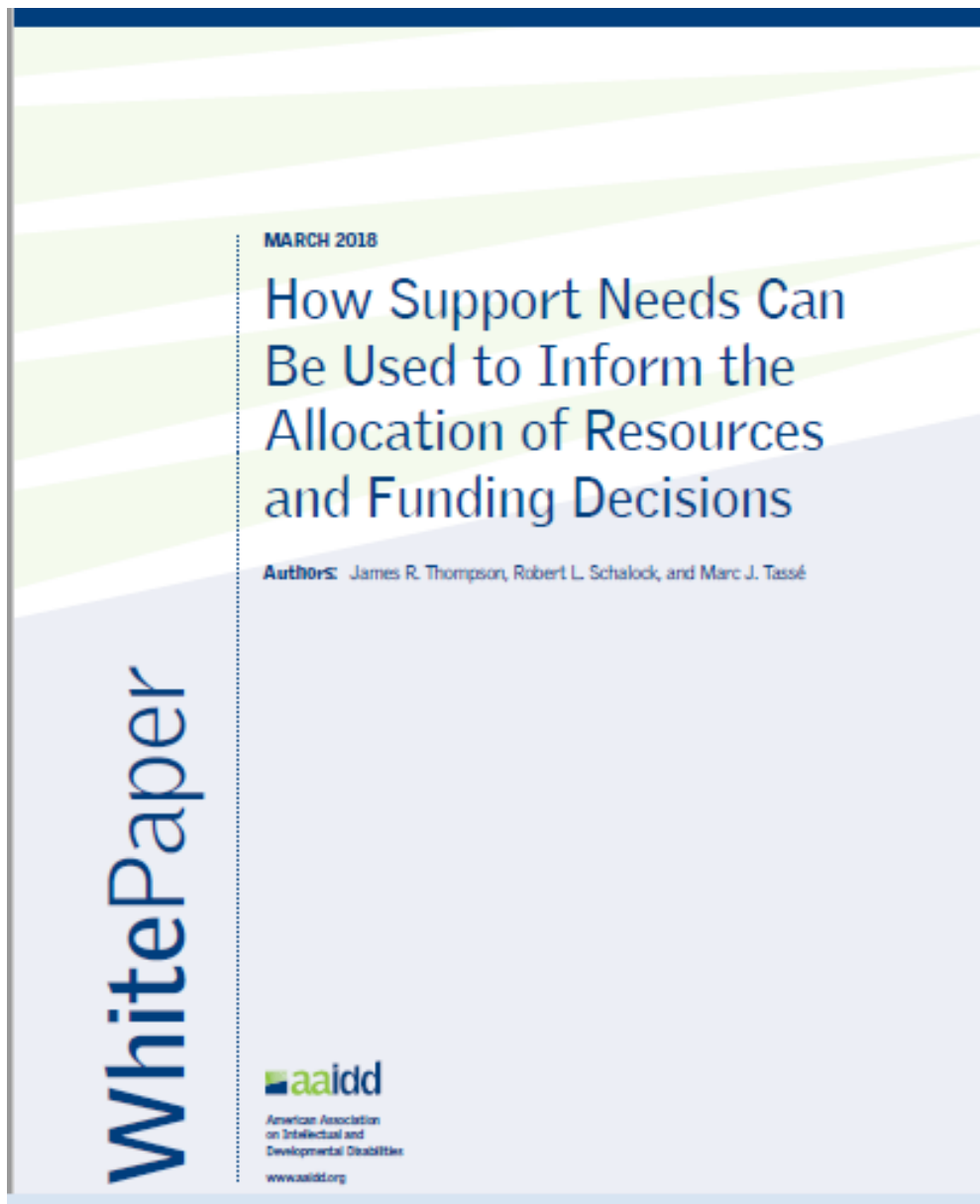
Support Level	Family Home	Own Home	Group Home	Host Home
1	X	X	X	X
2	X	X	X	X
3	X	X	X	X
4	X	X	X	X
5	X	X	X	X

Service Mix



\* Human Services Research Institute

\*\* “Enhancing Supports for People with Intellectual & Developmental Disabilities”



Support needs article from the American Association on Intellectual and Developmental Disabilities (aaidd)\* discusses creation of service mixes and individualized budgets

With a support-level framework, individualized budgets may be established for each support level

It must be decided what services should be offered in response to information on the intensity and nature of a person's support needs

Budgets are adjusted based on the residence types available (e.g. supported or shared living, family home, group home or paid residence)

A preliminary service mix for each support level by residence type would be established

\* Sent to advisory committee week of Dec 9

## Building Personal Supports Budgets for Adults with Intellectual/Developmental Disabilities

### Information Brief

#### *Supports Intensity Scale and Assessment Levels*

January 2016

A personal "supports budget" is an individually based, prospectively-determined amount of funds that is made available to a person to provide services. The amount is determined given an objective assessment of the extent of an individual's support needs, as well as the person's type of residence (e.g., community residence, with family) and age (e.g., up to 22 years old, and older than 22 years). In the event of extraordinary personal needs, an "exceptions review process" is also used to assure that such needs are appropriately addressed.

When applied, the individual (and his or her guardian) is made aware of this budget in advance of a service planning meeting and may exercise some amount of discretion over how the allocated funds are used to acquire preferred services. The amount of discretion afforded the individual depends on the person's type of residence and/or policy decisions made by policy makers.

An important part to this effort involves an assessment of support needs using the Supports Intensity Scale® (SIS). (Go to: [aeidd.org/sis](http://aeidd.org/sis))

Of course, this assessment cannot pinpoint every specific support a person needs day-to-day. These specifics are best determined during planning meetings to set individual person-centered plans. In other words, the SIS assessment should not direct the makeup of a plan, but the information it provides may be used to inform the plan. In addition, the SIS information will help policy makers understand the amount of support a person needs in relation to other people receiving services.

Based on the SIS assessment and responses to supplemental questions (if needed), each person receiving services is assigned to one of seven support levels, generally from least to most support. A person's level assignment, in turn, allows policy makers to estimate the average type and amount of services a person might use, depending on his or her age and place of residence. This approach helps individuals to get the services they need to live in the community. It may also help policy makers to allocate resources fairly and serve as many as possible.

There are many parts to this process that must be developed to make supports budgets work the way they are intended. The purpose of this *Information Brief* is to describe the SIS and how it is used to form the seven assessment levels, and assign individuals to a level. What follows are responses to commonly asked questions about the SIS and the seven levels.

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## Person-centered article from HSRI helps align thinking about creation of individualized budgets and building person-centered planning\*

"Person-centered planning is a process directed by the person for whom the plan is for, resulting in a summary of the individual's dreams, aspirations, goals and support needs as well as a description of the services and supports that will be provided in response."

"A supports budget is a targeted amount of money, or allocation that is available to individual service recipients to acquire the services they need and prefer."

Our objective is to integrate person-centered planning and the supports budgeting processes

\* Sent to advisory committee week of Dec 9

# Next steps

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1. We will develop more granular assumptions for services to be included and model concept
2. Deep consideration will be given and decisions made as to how services are used
3. Thoughtful review and decisions will be made regarding contents of “service bundles” and exceptions